

WORKSHEET – COMMON INTEREST

RE 622A (Rev. 1/06)

DUE DATE

REPORT TYPE

<input type="checkbox"/> CONDITIONAL	<input type="checkbox"/> RENEWAL	<input type="checkbox"/> CONDOMINIUM	<input type="checkbox"/> AMENDED
<input type="checkbox"/> PLANNED DEVELOPMENT	<input type="checkbox"/> LIMITED TERM	<input type="checkbox"/> FINAL	<input type="checkbox"/> COMMUNITY APARTMENT

APPLICANT'S NAME(S)

FILE NUMBER

ISSUED

AMENDMENT/RENEWAL DATE

EXPIRES

TRACT NUMBER

COUNTY

TRACT NAME

DEPUTY INITIALS

DEPUTY EMPLOYEE #

MANAGER'S INITIALS

COMPLETION INSTRUCTIONS

- ✓ A ❖ indicates instructions to the person completing this form.
- ✓ Check the ☐ at the beginning of the sentence or paragraphs *if* the sentence or paragraph(s) should be included in the public report.
- ✓ When there are variables within a sentence check the appropriate ☐ to make the sentence accurate and complete.
- ✓ Complete blank lines when appropriate.

SPECIAL NOTES

☐ THIS REPORT ☐ COVERS ONLY ☐ DOES NOT INCLUDE ☐ LOT(S) ☐ UNIT(S) _____

❖ *Use only when issuing a conditional public report for this file.*

☐ THIS IS NOT A FINAL SUBDIVISION PUBLIC REPORT. THIS IS A CONDITIONAL SUBDIVISION PUBLIC REPORT. AS THE SUBDIVIDER HAS NOT AS YET SATISFIED ALL OF THE CONDITIONS NECESSARY FOR THE ISSUANCE OF A FINAL SUBDIVISION PUBLIC REPORT, ESCROW MAY NOT CLOSE, FUNDS MAY NOT BE RELEASED FROM ESCROW TO THE SUBDIVIDER, AND TITLE SHALL NOT BE CONVEYED UNTIL ISSUANCE OF A FINAL SUBDIVISION PUBLIC REPORT COVERING THIS SUBDIVISION. UNDER THIS CONDITIONAL PUBLIC REPORT, THE SUBDIVIDER MAY NOT ENTER INTO A BINDING AGREEMENT WITH YOU FOR THE PURCHASE OR LEASE OF UNITS OR LOTS IN THIS SUBDIVISION UNLESS:

- (A) THE SUBDIVIDER FIRST PROVIDES YOU WITH A COPY OF THIS CONDITIONAL SUBDIVISION PUBLIC REPORT AND A WRITTEN STATEMENT CONTAINING CERTAIN DISCLOSURES REQUIRED BY BUSINESS & PROFESSIONS CODE SECTION 11018.12(f);
- (B) PROVISION IS MADE IN THE PURCHASE AGREEMENT AND ESCROW INSTRUCTIONS FOR THE RETURN TO YOU OF THE ENTIRE SUM OF MONEY PAID OR ADVANCED (PURCHASE MONEY) BY YOU IF A FINAL SUBDIVISION PUBLIC REPORT HAS NOT BEEN ISSUED WITHIN ☐ SIX ☐ THIRTY MONTHS AFTER THE DATE THIS CONDITIONAL PUBLIC REPORT WAS ISSUED;
- (C) PROVISION IS MADE IN THE PURCHASE AGREEMENT/CONTRACT AND ESCROW INSTRUCTIONS FOR THE RETURN TO YOU OF THE ENTIRE SUM OF MONEY PAID OR ADVANCED BY YOU IF YOU ARE DISSATISFIED WITH THE FINAL SUBDIVISION PUBLIC REPORT BECAUSE OF A MATERIAL CHANGE IN THE SETUP OF THE OFFERING. (REFER TO BUSINESS & PROFESSIONS CODE SECTION 11012.)
- (D) AS A CONDITION OF THE PURCHASE, DELIVERY OF LEGAL TITLE OR OTHER INTEREST CONTRACTED FOR WILL NOT TAKE PLACE UNTIL ISSUANCE OF A FINAL SUBDIVISION PUBLIC REPORT.

BEFORE ENTERING INTO A CONTRACT UNDER THE AUTHORITY OF THIS CONDITIONAL PUBLIC REPORT, YOU SHOULD REVIEW THE AGREEMENT CAREFULLY TO MAKE SURE THAT YOU WILL BE ABLE TO HONOR YOUR OBLIGATIONS WHEN IT IS TIME TO CLOSE ESCROW. FOR EXAMPLE, IF YOU DO NOT HAVE FUNDS TO COMPLETE THE PURCHASE MONEY LOAN, YOU MAY BE OBLIGATED UNDER THE SALES AGREEMENT TO KEEP AN ADEQUATE LOAN COMMITMENT IN EFFECT UNTIL THE FINAL PUBLIC REPORT IS ISSUED AND IT IS TIME TO COMPLETE THE PURCHASE. YOU SHOULD CAREFULLY CONSIDER WHETHER THERE WILL BE CHANGES IN YOUR INCOME, ASSETS OR LIABILITIES THAT COULD MAKE YOUR LENDER UNABLE TO FUND THE LOAN. YOU SHOULD ALSO CONSIDER YOUR PERSONAL SITUATION BEFORE ENTERING INTO THIS CONTRACT AS YOUR DESIRE AND ABILITY TO COMPLETE THE PURCHASE MAY CHANGE. THE DEPARTMENT OF REAL ESTATE HAS REVIEWED THE SALES AGREEMENT FORM BUT HAS NOT REVIEWED ANY ARRANGEMENTS YOU MAY ENTER INTO WITH YOUR PURCHASE MONEY LENDER. YOU SHOULD CAREFULLY REVIEW YOUR ARRANGEMENTS WITH THE LENDER.

BEFORE SIGNING, YOU SHOULD READ AND THOROUGHLY UNDERSTAND ALL SALES AGREEMENT AND LOAN DOCUMENTS. IF YOU DO NOT UNDERSTAND THE TERMS OF YOUR CONTRACTS, YOU MAY WISH TO CONSIDER CONSULTING WITH YOUR OWN ATTORNEY BEFORE ENTERING INTO AN AGREEMENT TO PURCHASE THE PROPERTY.

THE TERM OF THIS CONDITIONAL PUBLIC REPORT IS ☐ SIX ☐ THIRTY MONTHS. WHEN THE CONDITIONAL PUBLIC REPORT EXPIRES, YOU MAY WISH TO CONSIDER CONTACTING THE SUBDIVIDER TO DISCUSS THE STATUS OF YOUR PURCHASE AGREEMENT/CONTRACT, SINCE A CONDITIONAL PUBLIC REPORT MAY BE RENEWED FOR ONE ADDITIONAL SIX MONTH TERM.

THIS IS A "CONDITIONAL PUBLIC REPORT" WHICH ALLOWS THE SUBDIVIDER TO ENTER INTO A BINDING CONTRACT WITH YOU, SUBJECT TO YOUR RECEIPT, EXAMINATION, AND ACCEPTANCE OF A FINAL PUBLIC REPORT WITHIN THE TIME PERIOD INDICATED IN YOUR PURCHASE AGREEMENT/CONTRACT.

THE FOLLOWING CONDITIONS MUST BE SATISFIED BY THE SUBDIVIDER BEFORE A FINAL SUBDIVISION PUBLIC REPORT CAN BE ISSUED: *(complete list of conditions)*

❖ *Use the following if a conditional public report has been issued for this file.*

- ☐ IF YOU ENTERED INTO AN AGREEMENT TO PURCHASE OR LEASE AN INTEREST IN THE SUBDIVISION UNDER AUTHORITY OF A CONDITIONAL PUBLIC REPORT, THE PURCHASE AGREEMENT AND THE ESCROW INSTRUCTIONS CONTAINED ARRANGEMENTS FOR THE RETURN TO YOU OF MONIES PAID OR ADVANCED IF YOU ARE DISSATISFIED WITH THIS FINAL SUBDIVISION PUBLIC REPORT BECAUSE OF A MATERIAL CHANGE IN THE SETUP OF THE OFFERING COVERED BY BUSINESS & PROFESSIONS CODE SECTION 11012. YOU ARE ADVISED TO CAREFULLY READ THIS FINAL SUBDIVISION PUBLIC REPORT SINCE IT CONTAINS INFORMATION THAT IS MORE CURRENT AND POSSIBLY DIFFERENT FROM THAT INCLUDED IN THE CONDITIONAL PUBLIC REPORT.

❖ *Use the following if a Preliminary Public Report has been issued for this file.*

- ☐ IF YOU HAVE RECEIVED A PRELIMINARY PUBLIC REPORT FOR THIS SUBDIVISION, YOU ARE ADVISED TO CAREFULLY READ THIS FINAL PUBLIC REPORT SINCE IT CONTAINS INFORMATION THAT IS MORE CURRENT AND PROBABLY DIFFERENT FROM THAT INCLUDED IN THE PRELIMINARY PUBLIC REPORT.

❖ *Use the following if applicable.*

- ☐ YOUR ATTENTION IS ESPECIALLY DIRECTED TO THE PARAGRAPH(S) BELOW ENTITLED:
☐ CONDITIONS OF SALE, ☐ MANAGEMENT AND OPERATION, ☐ FILLED GROUND,
☐ FLOOD AND DRAINAGE, ☐ WATER, ☐ FIRE PROTECTION, ☐ STREETS AND ROADS,
☐ HAZARDS,
☐ _____
- ☐ THIS PROJECT IS A COMMON INTEREST SUBDIVISION OF THE TYPE REFERRED TO AS A
☐ CONDOMINIUM ☐ COMMUNITY APARTMENT. IT WILL BE OPERATED BY AN
☐ INCORPORATED OWNERS ASSOCIATION ☐ UNINCORPORATED OWNERS ASSOCIATION.

☐ THIS PROJECT IS A COMMON-INTEREST SUBDIVISION OF THE TYPE REFERRED TO AS A PLANNED DEVELOPMENT. IT INCLUDES ☐ COMMON AREAS ☐ AND COMMON AMENITIES ☐ AND COMMON FACILITIES ☐ WHICH WILL BE MAINTAINED BY AN ☐ INCORPORATED OWNERS ASSOCIATION ☐ UNINCORPORATED OWNERS ASSOCIATION.

❖ *Use in all reports.*

THE ASSOCIATION HAS THE RIGHT TO LEVY ASSESSMENTS AGAINST YOU FOR MAINTENANCE OF THE COMMON AREAS, AMENITIES AND FACILITIES, AND OTHER PURPOSES. YOUR CONTROL OF OPERATIONS AND EXPENSES IS LIMITED TO THE RIGHT OF YOUR ELECTED REPRESENTATIVES TO VOTE ON CERTAIN PROVISIONS AT MEETINGS.

❖ *Use if HOA not yet formed.*

☐ SINCE THE COMMON AREA IMPROVEMENTS, AMENITIES, AND FACILITIES WILL BE MAINTAINED BY AN ASSOCIATION OF HOMEOWNERS, IT IS ESSENTIAL THAT THIS ASSOCIATION BE FORMED EARLY AND PROPERLY. THE ASSOCIATION MUST HOLD THE FIRST MEMBERSHIP MEETING AND ELECTION OF THE ASSOCIATION'S GOVERNING BODY ☐ (if the public report authorizes the sale of less than 50 subdivision interests) WITHIN SIX MONTHS AFTER THE CLOSING OF THE SALE OF THE FIRST SUBDIVISION INTEREST UNDER THE FIRST PUBLIC REPORT FOR THE SUBDIVISION ☐ (if the public report authorizes the sale of 50 or more subdivision interests) WITHIN 45 DAYS AFTER 51% SELL OUT OF THE INTERESTS AUTHORIZED FOR SALE UNDER THE FIRST PUBLIC REPORT FOR THE SUBDIVISION. HOWEVER, IN NO EVENT SHALL THE MEETING BE HELD LATER THAN SIX MONTHS AFTER THE CLOSING OF THE SALE OF THE FIRST SUBDIVISION INTEREST. (REGULATIONS 2792.17 AND 2792.19) THE ASSOCIATION MUST ALSO PREPARE AND DISTRIBUTE TO ALL HOMEOWNERS A BALANCE SHEET AND INCOME STATEMENT.

❖ *Use if the HOA has been formed.*

☐ THE COMMON AREA IMPROVEMENTS, AMENITIES, AND FACILITIES ARE MAINTAINED BY THE _____ ASSOCIATION. THE HOMEOWNER ASSOCIATION MUST HOLD ELECTIONS OF THE ASSOCIATION'S GOVERNING BODY IN ACCORDANCE WITH ITS GOVERNING DOCUMENTS. THE ASSOCIATION MUST ALSO PREPARE AND DISTRIBUTE TO ALL HOMEOWNERS A BALANCE SHEET AND INCOME STATEMENT AND A SUMMARY OF THE ASSOCIATION'S RESERVES BASED UPON THE MOST RECENT REVIEW OR STUDY CONDUCTED PURSUANT TO SECTION 1365.5 OF THE CIVIL CODE.

❖ *Use as applicable.*

☐ THE SUBDIVIDER MUST PAY ASSESSMENTS TO THE HOMEOWNERS ASSOCIATION FOR ALL UNSOLD ☐ LOTS ☐ UNITS ☐ IN THIS PHASE. THE PAYMENTS MUST COMMENCE ☐ IMMEDIATELY AFTER SUBDIVIDER ☐ ON THE FIRST DAY OF THE MONTH AFTER SUBDIVIDER ☐ CONVEYS THE FIRST SUBDIVISION INTEREST ☐ IN THIS PROJECT ☐ IN THIS PHASE ☐ IN THE PHASES COVERED BY THIS REPORT. (REGULATIONS 2792.9 AND 2792.16.)

☐ THE SUBDIVIDER MUST MAINTAIN AND DELIVER TO THE HOMEOWNERS ASSOCIATION THE SPECIFIC RECORDS AND MATERIALS LISTED IN REAL ESTATE COMMISSIONER'S REGULATION 2792.23 WITHIN THE STATED TIME PERIOD. THESE RECORDS AND MATERIALS DIRECTLY AFFECT THE ABILITY OF THE HOMEOWNERS ASSOCIATION TO PERFORM ITS DUTIES AND RESPONSIBILITIES. (REFER TO SECTION 11018.5 OF THE BUSINESS AND PROFESSIONS CODE AND SECTION 1363 OF THE CIVIL CODE.)

- ☐ THE SUBDIVIDER MUST PROVIDE YOU WITH A COPY OF THE ☐ ARTICLES OF INCORPORATION, ☐ ARTICLES OF ASSOCIATION, BYLAWS, AND COVENANTS, CONDITIONS, AND RESTRICTIONS PRIOR TO CLOSE OF ESCROW. THESE DOCUMENTS CONTAIN NUMEROUS MATERIAL PROVISIONS THAT SUBSTANTIALLY AFFECT AND CONTROL YOUR RIGHTS, PRIVILEGES, USE, OBLIGATIONS, AND COSTS OF MAINTENANCE AND OPERATION. YOU SHOULD READ AND UNDERSTAND THESE DOCUMENTS BEFORE YOU OBLIGATE YOURSELF TO PURCHASE A ☐ LOT ☐ UNIT. (SECTION 11018.6 BUSINESS AND PROFESSIONS CODE.)
- ☐ THE SUBDIVIDER STATED HE ☐ WILL FURNISH ☐ WILL NOT FURNISH THE CURRENT BOARD OF OFFICERS OF THE HOMEOWNERS ASSOCIATION AND EACH INDIVIDUAL PURCHASER WITH THE DEPARTMENT OF REAL ESTATE REVIEWED ASSOCIATION BUDGET.
- ☐ THE SUBDIVIDER STATED HE ☐ WILL FURNISH ☐ WILL NOT FURNISH EACH INDIVIDUAL PURCHASER WITH THE CONDOMINIUM PLAN.
- ☐ THE SUBDIVIDER ☐ HAS POSTED A BOND ☐ WILL POST A BOND ☐ HAS MADE FINANCIAL ARRANGEMENTS ☐ WILL MAKE FINANCIAL ARRANGEMENTS ACCEPTABLE TO THE DEPARTMENT OF REAL ESTATE ☐ IN THE AMOUNT OF \$ _____ TO ASSURE COMPLETION OF COMMON AREA IMPROVEMENTS ☐ LOCATED OUTSIDE THE RESIDENTIAL BUILDINGS DESCRIBED IN THE PLANNED CONSTRUCTION STATEMENT ATTACHED TO THE ☐ BOND ☐ SECURITY INSTRUMENT. THE ESTIMATED COMPLETION DATE FOR THESE IMPROVEMENTS IS _____.

❖ *Use with no bond or alternative security for completion of common area.*

- ☐ THE SUBDIVIDER ESTIMATES ALL COMMON AREA IMPROVEMENTS, AMENITIES, AND FACILITIES ☐ INCLUDING RESIDENTIAL STRUCTURES ☐ IN THE TOTAL PROJECT ☐ IN THIS PHASE ☐ WILL BE COMPLETED BY APPROXIMATELY _____ (date).
- ☐ NO ESCROWS WILL CLOSE UNTIL ALL COMMON AREA IMPROVEMENTS, AMENITIES, AND FACILITIES, IMPROVEMENTS, LANDSCAPING ☐ RENOVATIONS ☐ AND ☐ RESIDENTIAL UNITS IN A DESIGNATED CLUSTER ☐ ALL RESIDENTIAL STRUCTURES ☐ RESIDENTIAL LOTS ☐ OF ☐ IN THIS PHASE HAVE BEEN COMPLETED AND NOTICE OF COMPLETION HAS BEEN FILED AND ALL CLAIM OF LIENS HAS EXPIRED, OR A TITLE POLICY IS ISSUED TO EACH PURCHASER ☐ AND ☐ OR ☐ TO THE ASSOCIATION CONTAINING AN ENDORSEMENT AGAINST ALL CLAIMS OF LIENS. (SECTION 11018.5 OF THE BUSINESS AND PROFESSIONS CODE.)

❖ *Use for RE 621.*

- ☐ THE SUBDIVIDER ESTIMATES ALL COMMON FACILITIES ☐ INCLUDING RESIDENTIAL STRUCTURES ☐ EXCLUDING RESIDENTIAL STRUCTURES ☐ IN THE TOTAL PROJECT ☐ IN THIS PHASE ☐ WILL BE COMPLETED BY APPROXIMATELY _____ (date).
- ☐ NO ESCROWS WILL CLOSE ☐ IN THIS PHASE UNTIL COMPLETION OF ALL COMMON AREA IMPROVEMENTS, AMENITIES, AND FACILITIES OR, AS AN ALTERNATIVE, THE SUBDIVIDER HAS SUBMITTED A BOND OR OTHER SECURITY ACCEPTABLE TO THE DEPARTMENT OF REAL ESTATE UNDER THE PROVISIONS OF SECTION 11018.5 OF THE BUSINESS AND PROFESSIONS CODE TO ASSURE LIEN FREE COMPLETION OF ☐ ALL COMMON AREAS ☐ COMMON AMENITIES ☐ COMMON FACILITIES ☐ AND ☐ RESIDENTIAL UNITS IN ☐ THIS PHASE ☐ OF ☐ THIS CONDOMINIUM PROJECT ☐ A DESIGNATED CLUSTER ☐ THIS PROJECT.

❖ *Use only if a single lot phased condominium per §11018.5(a)(2)(D)*

☐ THIS IS A PHASED SUBDIVISION ON ONE LOT.

❖ *Use the following in condominium projects filed under the provisions of §11018.5(a)(2)(D) B&P Code.*

☐ THE SUBDIVIDER OF THIS PROJECT HAS NOT FURNISHED ANY FINANCIAL GUARANTEES THAT ANY RESIDENTIAL UNITS OTHER THAN THOSE IN ☐ THIS BUILDING (DESCRIBE) _____

_____ ☐ BUILDING NUMBER _____ WILL BE COMPLETED.

IF THE SUBDIVIDER DOES NOT COMPLETE THE REMAINING RESIDENTIAL UNITS IN EXACT ACCORDANCE WITH THE RECORDED CONDOMINIUM PLAN, THE INTEREST YOU PURCHASE IN THIS PROJECT MAY NOT BE QUALIFIED FOR REFINANCING WHICH WOULD MAKE THE UNIT YOU PURCHASE UNMARKETABLE.

PRIOR TO ENTERING INTO A PURCHASE AGREEMENT/CONTRACT, YOU SHOULD CONSULT AN ATTORNEY FOR ADVICE.

☐ THE SUBDIVIDER ADVISES THAT EACH PURCHASER AND THE HOMEOWNERS ASSOCIATION WILL RECEIVE A SPECIAL TITLE ENDORSEMENT INSURING HIM/HER AGAINST FUTURE MECHANIC LIENS WHICH MAY BE INCURRED IN THE CONSTRUCTION OF UNITS IN THE ADDITIONAL PHASES OF THIS ONE LOT PROJECT. THE TITLE ENDORSEMENT PROVIDES THAT THE TOTAL LIABILITY OF THE TITLE COMPANY IS LIMITED TO THE FACE AMOUNT OF THE TITLE POLICY ONLY. THE INSURANCE WILL CONTAIN THE FOLLOWING ENDORSEMENT:

“THE COMPANY HEREBY INSURES THE INSURED AGAINST LOSS WHICH SAID INSURED SHALL SUSTAIN BY REASON OF ANY STATUTORY LIEN FOR LABOR OR MATERIALS ATTACHING TO SAID INTEREST OR ESTATE, ARISING OUT OF ANY WORK OR IMPROVEMENT ON THE LAND UNDER CONSTRUCTION OR COMPLETED AT THE DATE HEREOF OR ARISING FROM ANY FUTURE CONSTRUCTION PROVIDED THE CONSTRUCTION IS TO COMPLETE THE IMPROVEMENTS AS SHOWN IN THE CONDOMINIUM PLAN RECORDED ON THE PROPERTY AS OF THE DATE OF THIS POLICY, WHETHER THE CONSTRUCTION IS PERFORMED BY THE PRESENT SUBDIVIDER OR ANY SUCCESSOR IN INTEREST.”

SHOULD THE OWNER OF A UNIT IN THIS PROJECT SELL HIS/HER UNIT TO ANOTHER PURCHASER PRIOR TO THE COMPLETION OF THE FINAL PHASES, HE/SHE SHOULD INFORM THE NEW PURCHASER THAT A SPECIAL FUTURE MECHANIC LIEN ENDORSEMENT SHOULD BE OBTAINED FROM THEIR TITLE INSURANCE COMPANY.

❖ *Use as applicable.*

☐ THE SUBDIVIDER HAS INDICATED THAT HE INTENDS TO SELL ALL OF THE UNITS IN THIS PROJECT; HOWEVER, ANY OWNER, INCLUDING THE SUBDIVIDER, HAS A LEGAL RIGHT TO RENT OR LEASE THE UNITS.

☐ THE SUBDIVIDER INDICATES ☐ IN ADDITION TO HIS SALES PROGRAM HE WILL LEASE APPROXIMATELY _____ UNITS IN THE DEVELOPMENT. LEASES WILL BE FOR A TERM OF _____ OR MORE.

❖ *Always included.*

IF YOU PURCHASE FIVE OR MORE SUBDIVISION ☐ INTERESTS ☐ LOTS ☐ UNITS ☐ MEMBERSHIPS FROM THE SUBDIVIDER, THE SUBDIVIDER IS REQUIRED TO NOTIFY THE REAL ESTATE COMMISSIONER OF THE SALE. IF YOU INTEND TO SELL YOUR INTERESTS OR LEASE THEM FOR TERMS LONGER THAN ONE YEAR, YOU ARE REQUIRED TO OBTAIN AN AMENDED SUBDIVISION PUBLIC REPORT BEFORE YOU CAN OFFER THE INTERESTS FOR SALE OR LEASE.

WARNING: WHEN YOU SELL YOUR ☐ LOT ☐ CONDOMINIUM UNIT TO SOME ONE ELSE, YOU MUST GIVE THAT PERSON A COPY OF THE DECLARATION OF RESTRICTIONS, ARTICLES OF ☐ INCORPORATION, ☐ ASSOCIATION, THE BYLAWS AND A TRUE STATEMENT CONCERNING ANY DELINQUENT ASSESSMENTS, PENALTIES, ATTORNEYS' FEES OR OTHER CHARGES, PROVIDED BY THE RESTRICTIONS OR OTHER MANAGEMENT DOCUMENTS ON THE ☐ LOT ☐ UNIT AS OF THE DATE THE STATEMENT WAS ISSUED.

NOTE: IF YOU FORGET TO DO THIS, IT MAY COST YOU A PENALTY OF \$500.00 — PLUS ATTORNEY'S FEES AND DAMAGES (SEE CIVIL CODE SECTION 1368).

THE SUBDIVIDER MUST MAKE AVAILABLE TO YOU, COPIES OF THE ASSOCIATION GOVERNING INSTRUMENTS, A STATEMENT CONCERNING ANY DELINQUENT ASSESSMENTS AND RELATED CHARGES AS PROVIDED BY THE GOVERNING INSTRUMENTS AND, IF AVAILABLE, CURRENT FINANCIAL AND RELATED STATEMENTS (SEE BUSINESS AND PROFESSIONS CODE SECTION 11018.6).

❖ *Use the following when issuing on a project consisting of both residential and commercial unit.
If the HOA is not a corporation, check "income tax" at the end of the paragraph not "bank and corporation tax."*

☐ THIS ☐ CONDOMINIUM ☐ PLANNED DEVELOPMENT PROJECT IS A COMBINATION RESIDENTIAL AND COMMERCIAL PROJECT. THE NON-RESIDENTIAL PORTION OF THE PROJECT COMPRISES 15 PERCENT OR MORE OF THE TOTAL SQUARE FOOTAGE OF ALL THE UNITS. UNDER INTERNAL REVENUE REGULATION SECTION 1.528-4(B), THE HOMEOWNERS' ASSOCIATION DOES NOT QUALIFY AS A TAX-EXEMPT ORGANIZATION, AND THE CALIFORNIA FRANCHISE TAX BOARD HAS TAKEN THE SAME POSITION. THEREFORE, THE TAXABLE INCOME OF THE ASSOCIATION WILL BE SUBJECT TO FEDERAL INCOME TAXATION AND ☐ STATE BANK AND CORPORATION TAX ☐ STATE INCOME TAX.

❖ *Always included.*

NOTWITHSTANDING ANY PROVISION IN THE PURCHASE CONTRACT TO THE CONTRARY, A PROSPECTIVE BUYER HAS THE RIGHT TO NEGOTIATE WITH THE SELLER TO ALLOW AN INSPECTION OF THE PROPERTY BY THE BUYER OR THE BUYER'S DESIGNEE UNDER TERMS MUTUALLY AGREEABLE TO THE PROSPECTIVE BUYER AND SELLER.

INTERESTS TO BE CONVEYED

❖ *Always included.*

You will receive ☐ fee title to a specified ☐ a lease to a specified ☐ lot ☐ unit, ☐ an exclusive right to occupy a specified unit ☐ an undivided fractional ☐ fee interest ☐ leasehold interest as tenant in common in the common area ☐ together with a membership in the _____ Association and rights to use the common area.

LOCATION AND SIZE

❖ *City only.*

☐ This subdivision is located at _____
☐ and _____ within
the city limits of _____. Prospective purchasers
should acquaint themselves with the kinds of city services available.

❖ *County only.*

☐ This subdivision is located in _____ County
☐ at _____
☐ and _____
☐ approximately _____ miles from _____.

❖ *Use in Planned Developments.*

☐ This is a single phase project which consists of approximately _____ acres divided into _____
☐ lots ☐ parcels ☐ including ☐ in addition to ☐ the common area which consists of _____

☐ This is the _____ (first, second, etc.) phase which consists of approximately _____ acres
divided into _____ ☐ lots ☐ parcels ☐ including ☐ in addition to ☐ the common area
which consists of _____.

☐ Common amenities and/or facilities consisting of _____
_____ ☐ will be constructed ☐ have been constructed
☐ on the common area. ☐ This phase is part of a total project which, if developed as proposed, will consist of
a total of _____ ☐ phases containing _____ lots within the overall projected
development. ☐ The estimated completion date is _____.

❖ *Do not include unless completed or financially assured.*

☐ Additional common amenities and/or facilities consisting of _____
_____ in the _____ ☐ phase ☐ will be constructed
☐ have been constructed.

☐ There is no assurance that the total project will be completed as proposed.

❖ *Use in Condominiums and Community Apartments.*

☐ This is a single phase project which consists of approximately _____ acres on which _____ building(s) containing _____ units and ☐ _____ garages ☐ _____ carports ☐ _____ open parking spaces ☐ will be constructed ☐ has been constructed ☐ have been constructed.

☐ This is the _____ (first, second, etc.) phase which consists of approximately _____ acres on which _____ building(s) containing _____ units and ☐ _____ garages ☐ _____ carports ☐ _____ open parking spaces ☐ will be constructed ☐ has been constructed ☐ have been constructed.

☐ Common amenities and/or facilities consisting of _____

also ☐ will be constructed ☐ have been constructed on (*identify common area*) _____

☐ This phase is part of a total project which, if developed as proposed, will consist of a total of _____ ☐ phases ☐ and _____ units.

❖ *Do not include unless completed or financially assured.*

☐ Additional common amenities and/or facilities consisting of _____ in the _____ ☐ phase ☐ will be constructed ☐ have been constructed within the overall projected development. ☐ The estimated completion date is _____.

❖ *Use on all phased projects.*

☐ There is no assurance that the total project will be completed as proposed.

CONVERSION

☐ This development is a conversion of an existing ☐ apartment ☐ hotel ☐ to condominium use. The structure was completed in _____ (year).

☐ The subdivider will provide you with ☐ a written statement listing all substantial defects or malfunctions in the major systems in your unit and common areas ☐ a written statement disclaiming knowledge of any substantial defects or malfunctions. ☐ Such ☐ statement ☐ disclaimer is required by Civil Code Section 1134.

☐ THE SUBDIVIDER HAS NOT FURNISHED INSPECTION REPORTS FROM LICENSED CONTRACTORS OR ENGINEERS CONCERNING THE CURRENT CONDITION OF MAJOR BUILDING COMPONENTS. CONSEQUENTLY, COST ESTIMATES FOR POSSIBLE FUTURE REPAIRS ARE NOT AVAILABLE. THIS MEANS THE ESTIMATES OF REMAINING USEFUL LIFE IN SUCH BUILDING COMPONENTS MAY NOT BE ACCURATE AND THE ASSOCIATION'S BUDGET MAY NOT BE SUFFICIENT TO PAY FOR

UNEXPECTED REPAIRS. IT MAY BE NECESSARY TO LEVY SPECIAL ASSESSMENTS AGAINST THE UNIT OWNERS TO PAY FOR SUCH REPAIRS.

MANAGEMENT AND OPERATION

❖ *Always included.*

The _____
Association, of which you become a member at time of purchase, manages, maintains, and operates the common area(s) in accordance with the Covenants, Conditions and Restrictions, Articles of ☐ Incorporation, ☐ Association, and the Bylaws.

MAINTENANCE AND OPERATIONAL EXPENSES

❖ *Use for Final Public Reports with no interim budget.*

- ☐ The subdivider has submitted a budget for the management, maintenance and operation of the common areas and for long-term reserves. This budget was reviewed by the Department of Real Estate ☐ in _____ (month-year). You should obtain a copy of this budget from the subdivider. Under this budget, the ☐ prorated ☐ average ☐ monthly assessment against each subdivision interest ☐ will be \$_____ ☐ ranges from \$_____ to \$_____ of which ☐ \$_____ to \$_____ ☐ \$_____ is a monthly contribution to long-term reserves and is not to pay for current management, maintenance and operating expenses.

❖ *Use for Final Reports with an interim budget.*

- ☐ The subdivider has submitted budgets for the maintenance and operation of the common areas and for long-term reserves when the subdivision is substantially completed (built-out budget) ☐ and an interim budget applicable to this phase. These budgets were reviewed by the Department of Real Estate in _____ (month-year). You should obtain copies of these budgets from the subdivider.
- ☐ Under the built-out budget, the ☐ prorated ☐ average ☐ monthly assessment against each subdivision interest ☐ will be \$_____ ☐ ranges from \$_____ to \$_____. The association may or may not elect to use this budget when additional phases are annexed. Under the ☐ phase budget ☐ interim budget, the ☐ prorated ☐ average ☐ monthly assessment per interest ☐ will be \$_____ ☐ ranges from \$_____ to \$_____. Of these amounts, the monthly contributions toward long-term reserves, which are not to be used to pay for current management, maintenance and operating expenses are \$_____ and \$_____, respectively.

According to the subdivider, assessments under the interim budget should be sufficient for proper management, maintenance and operation of the common areas until the development is completed at which time it may be anticipated that assessments will be adjusted.

❖ *Always included.*

The utility rates used for the calculations within this budget are based on information available at the time of the budget review date (as shown above). Increases in regular assessments or special assessments may be required as a measure to provide adequate funds to compensate for potential utility rate increases. Purchasers should be aware of the possible affect these increases may have on their homeowner assessments.

❖ *Always included.*

- ☐ IF THE BUDGET FURNISHED TO YOU BY THE SUBDIVIDER SHOWS A MONTHLY ASSESSMENT FIGURE WHICH IS AT LEAST 20% MORE OR AT LEAST 10% LESS THAN THE ASSESSMENT AMOUNT SHOWN ☐ IN THE FINAL ☐ IN THIS PUBLIC REPORT, YOU SHOULD CONTACT THE DEPARTMENT OF REAL ESTATE BEFORE ENTERING INTO AN AGREEMENT TO PURCHASE.

❖ *Use for final reports with range of assessments.*

- ☐ The subdivider has submitted budgets for the management, maintenance and operation of the common areas and for long-term reserves when the subdivision is substantially completed (built-out budget) and interim budgets applicable to these phases. These budgets were reviewed by the Department of Real Estate in _____ . You should obtain copies of these budgets from the subdivider.

Due to uncertainty in the sequence in which other developers in this project will close escrows in individual housing projects located in the overall development, it is difficult to predict at this time the amount of the monthly assessment which will be assessed against each lot in the project.

As the overall project is developed and additional phases of development become subject to assessment, the level of monthly assessments in existing phases of development may increase or decrease, subject to the limitations in the CC&Rs or Bylaws. Under the interim budget on file with the Department of Real Estate, the range of monthly assessments during the development period will be between _____ and _____. Of these amounts, the monthly contributions toward long-term reserves, which are not to be used to pay for current management, maintenance and operating expenses are _____ and _____ respectively.

According to the subdivider, assessments under the interim budget should be sufficient for proper maintenance and operation of the common areas until the development is substantially completed at which time it may be anticipated that assessments will be adjusted. Prior to the close of escrow for the sale of your lot, the subdivider will provide you with a copy of the budget for your phase, reflecting the amount of the initial assessment you will actually pay to the association.

❖ *Use if Regulation 2792.16(c) is in the CC&Rs.*

- ☐ The Covenants, Conditions and Restrictions provide that the subdivider or other owner of a subdivision interest will be allowed to defer from payment, that portion of any assessment which is directly attributable to any structural improvement and/or common facility that is not complete at the time assessments commence. The amount of the deferment may be a fixed amount, or may vary based upon dates of completion or use. Once the established criterion is met and the authority allowing the deferment is eliminated, all owners must pay the full amount of the monthly assessment as outlined herein. The limitations of this allowance are specifically set forth in the Restrictions. (Regulation 2792.16c.)

The association may increase or decrease assessments at any time in accordance with the procedure prescribed in the Restrictions or Bylaws. In considering the advisability of a decrease (or a smaller increase) in assessments, care should be taken not to eliminate amounts attributable to reserves for replacement or major maintenance.

❖ *Use first sentence only if budget has been reviewed.*

- ☐ THE BUDGET INFORMATION INCLUDED IN THIS PUBLIC REPORT IS APPLICABLE AS OF THE DATE OF BUDGET REVIEW AS SHOWN ABOVE. ☐ EXPENSES OF OPERATION ARE DIFFICULT TO PREDICT AND EVEN IF ACCURATELY ESTIMATED INITIALLY, MOST EXPENSES INCREASE WITH THE AGE OF FACILITIES AND WITH INCREASES IN THE COST OF LIVING.

❖ *Always included.*

Monthly assessments will commence on ☐ lots ☐ units, ☐ in this phase, ☐ in the phases covered by this report, ☐ on the first day of the month ☐ immediately ☐ following the conveyance of the first subdivision interest ☐ in the phase.

The remedies available to the association against owners who are delinquent in the payment of assessments are set forth in the Restrictions. These remedies are available against the subdivider as well as against other owners.

The subdivider ☐ has posted a bond ☐ will post a bond ☐ has deposited funds in escrow ☐ will deposit funds in escrow ☐ has made financial arrangements ☐ will make financial arrangements as partial security for the obligation to pay these assessments. The governing body of the association should assure itself that the subdivider has satisfied these obligations to the association with respect to the payment of assessments before agreeing to a release or exoneration of the security.

❖ *Describe subsidy program — see Section 2792.10 of Regulations.*

☐ The subdivider has entered into an agreement with the homeowner association to subsidize.

TITLE

❖ *No mention unless title is vested in someone other than applicant or in several applicants.*

☐ A preliminary (title) report shows title to said estate or interest, as of the date of this public report, to be vested in

A preliminary (title) report shows title, among other things, to be subject to: (e.g., restrictions or use not set forth under restrictions).

EASEMENTS

❖ *Always included.*

Easements for ☐ utilities, ☐ planting, ☐ mail delivery, ☐ drainage, ☐ flood control, ☐ rights-of-way, ☐ building setbacks, ☐ anchor rights, ☐ sewers, ☐ _____, ☐ _____, ☐ _____, ☐ _____, ☐ and other purposes are shown on the Title Report and Subdivision Map ☐ to be recorded ☐ recorded _____ in the Office of the _____ County Recorder, Book _____ ☐ of Maps, ☐ of Parcel Maps, Pages _____ through _____, ☐ and Condominium Plan ☐ to be recorded ☐ recorded ☐ as Instrument Number _____ on _____ (date) ☐ Book _____ ☐ Pages _____ through _____.

❖ *Reference unusual easements, especially if confiscatory.*

☐ Amendments to the original condominium plan may also be recorded. You may ask the subdivider about such changes. If you purchase a unit, this information will be included in your title policy.

RESTRICTIONS

This subdivision ☐ is subject to Restrictions ☐ will be subject to Restrictions ☐ to be recorded

☐ recorded in the Office of the _____ County Recorder, ☐ Book

_____ Page(s) _____ through _____ on _____ (date) as

Instrument Number _____, ☐ amended on _____,

☐ Book _____ Page(s) _____ which include among other provisions, the following:

- ❖ *Use the following note when we are required to place special provisions in the CC&Rs to allow the subdivider to take advantage of such financing.*

☐ TO SECURE FINANCING FOR THIS SUBDIVISION ACCEPTABLE FOR ACQUISITION BY ☐ (FEDERAL NATIONAL MORTGAGE ASSOCIATION) ☐ (FEDERAL HOME LOAN MORTGAGE CORPORATION), IT HAS BEEN NECESSARY FOR THE SUBDIVIDER TO INCORPORATE INTO THE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS AND OTHER MANAGEMENT INSTRUMENTS, PROVISIONS WHICH GIVE THE MORTGAGE LENDER A VOICE IN THE AFFAIRS OF THE HOMEOWNER'S ASSOCIATION AND IN THE MANAGEMENT AND OPERATION OF THE SUBDIVISION WHICH A LENDER DOES NOT ORDINARILY HAVE.

FOR INFORMATION AS TO YOUR OBLIGATIONS AND RIGHTS, YOU SHOULD READ THE RESTRICTIONS. THE SUBDIVIDER MUST MAKE THEM AVAILABLE TO YOU.

MINERAL RIGHTS

- ❖ *If mineral rights are reserved, briefly state conditions of the reservation.*

☐ You will not own the ☐ water, ☐ mineral, ☐ oil, ☐ and gas rights under your land ☐ below a depth of _____ feet. ☐ These have been reserved as ☐ per your grant deed ☐ follows:

☐ The right to surface entry has been waived.

- ❖ *Use only in vacant lot offerings.*

☐ The right to surface entry has not been waived, and the owners of the mineral rights may enter upon the land at some future date to extract minerals, etc. This right could affect your ability to obtain financing for building on the property.

❖ *Use if improved with residential structures and there is a right to surface entry.*

- ☐ YOU WILL NOT OWN THE MINERAL, OIL AND GAS RIGHTS UNDER YOUR LAND. THE RIGHT TO SURFACE ENTRY TO EXTRACT MINERALS HAS NOT BEEN WAIVED BY THE OWNER OF THESE RIGHTS. UNLESS OTHERWISE RESTRICTED, THE OWNER OF MINERAL, OIL AND GAS RIGHTS IS ENTITLED TO ENTER YOUR LAND TO PENETRATE THE SURFACE TO EXTRACT SUBSURFACE MINERALS. BECAUSE OF THE LOCATION OF THE SUBDIVISION, LOCAL ZONING OR OTHER LAWS OR REGULATIONS MAY PROHIBIT THE OWNER FROM DOING THIS. FOR FURTHER PARTICULARS, YOU SHOULD CONTACT THE BUILDING DEPARTMENT OF THE CITY OR COUNTY IN WHICH YOUR PROPERTY IS LOCATED. WHEN YOU PURCHASE, YOU CAN REQUEST A “HOMEOWNERS ENDORSEMENT” TO YOUR POLICY OF TITLE INSURANCE WHICH WILL INSURE AGAINST LOSS UP TO THE AMOUNT OF THE POLICY, FOR DAMAGE TO ANY OWNER-OCCUPIED RESIDENTIAL STRUCTURE THEN ON THE LAND, WHICH DAMAGE RESULTS FROM THE EXERCISE OF SURFACE ENTRY RIGHTS.

USES AND ZONING

❖ *Mention if different from the offering, i.e., commercial adjacent to residential, etc.*

☐ _____

❖ *Use if property is within an “airport influence area” also known as an “airport referral area,” as determined by an airport land use commission.*

- ☐ **Notice of Airport in Vicinity** — This property is presently located in the vicinity of an airport, within what is known as an airport influence area. For that reason, the property may be subject to some of the annoyances or inconveniences associated with proximity to airport operations (for example: noise, vibration, and odors). Individual sensitivities to those annoyances can vary from person to person. You may wish to consider what airport annoyances, if any, are associated with the property before you complete your purchase and determine whether they are acceptable to you.

HAZARDS

❖ *Mention only actual hazards, otherwise list under Uses and Zoning or not at all.*

- ☐ The following hazard(s) exist(s) within or near this development: _____
- _____
- _____
- _____

❖ *Include as applicable.*

- ☐ The subdivider has advised that all or portions of the subdivision subject to this Public Report are located within a *Special Flood Hazard Area* as designated by the Federal Emergency Management Agency. Additionally, the subdivider has advised that prospective purchasers within this Area will be provided a separate disclosure required under Government Code Section 8589.3.

If any disclosure, or any material amendment to any disclosure, required to be made by the subdivider regarding this natural hazard is delivered after the execution of an offer to purchase, the purchaser shall have three days after delivery in person or five days after delivery by deposit in the mail to terminate the offer by delivery of a written notice of termination to the subdivider or the subdivider's agent.

- ☐ The subdivider has advised that all or portions of the subdivision subject to this Public Report are located within an *Area of Potential Flooding* as shown on an inundation map. Additionally, the subdivider has advised that prospective purchasers within this Area will be provided a separate disclosure required under Government Code Section 8589.4.

If any disclosure, or any material amendment to any disclosure, required to be made by the subdivider regarding this natural hazard is delivered after the execution of an offer to purchase, the purchaser shall have three days after delivery in person or five days after delivery by deposit in the mail to terminate the offer by delivery of a written notice of termination to the subdivider or the subdivider's agent.

- ☐ The subdivider has advised that all or portions of the subdivision subject to this Public Report are located within a *Very High Fire Hazard Severity Zone*. Additionally, the subdivider has advised that prospective purchasers within this Zone will be provided a separate disclosure required under Government Code Section 51183.5.

If any disclosure, or any material amendment to any disclosure, required to be made by the subdivider regarding this natural hazard is delivered after the execution of an offer to purchase, the purchaser shall have three days after delivery in person or five days after delivery by deposit in the mail to terminate the offer by delivery of a written notice of termination to the subdivider or the subdivider's agent.

- ☐ The subdivider has advised that all or portions of the subdivision subject to this Public Report are located within a *State Responsibility Area* (wildland area that may contain substantial forest fire risks and hazards) as determined by the California State Board of Forestry. Additionally, the subdivider has advised that prospective purchasers within this Area will be provided a separate disclosure required under Public Resources Code Section 4136.

If any disclosure, or any material amendment to any disclosure, required to be made by the subdivider regarding this natural hazard is delivered after the execution of an offer to purchase, the purchaser shall have three days after delivery in person or five days after delivery by deposit in the mail to terminate the offer by delivery of a written notice of termination to the subdivider or the subdivider's agent.

- ☐ The subdivider has advised that all or portions of the subdivision subject to this Public Report are located within an *Earthquake Fault Zone*. Additionally, the subdivider has advised that prospective purchasers within this Zone will be provided a separate disclosure required under Public Resources Code Section 2621.9.

If any disclosure, or any material amendment to any disclosure, required to be made by the subdivider regarding this natural hazard is delivered after the execution of an offer to purchase, the purchaser shall have three days after delivery in person or five days after delivery by deposit in the mail to terminate the offer by delivery of a written notice of termination to the subdivider or the subdivider's agent.

- ☐ The subdivider has advised that all or portions of the subdivision subject to this Public Report are located within a *Seismic Hazard Zone*. Additionally, the subdivider has advised that prospective purchasers within this Zone will be provided a separate disclosure required under Public Resources Code Section 2694.

If any disclosure, or any material amendment to any disclosure, required to be made by the subdivider regarding this natural hazard is delivered after the execution of an offer to purchase, the purchaser shall have three days after delivery in person or five days after delivery by deposit in the mail to terminate the offer by delivery of a written notice of termination to the subdivider or the subdivider's agent.

❖ *Include if this subdivision is included in one or more natural hazard areas.*

- ☐ Since all or portions of the subdivision subject to this Public Report are located within one or more natural hazard areas, your homeowner's insurance and/or insurance coverage for any association or commonly owned areas may be affected. You should contact your lender and insurance carrier for more information regarding types of insurance and costs to cover your property, as well as the owner's association or subdivider regarding any assessment increases due to additional insurance costs.

❖ *Include if any response in RE 619 is "Do Not Know" or "Map Not Yet Released."*

- ☐ At the time this public report was issued, information regarding whether all or portions of this subdivision are located within certain natural hazard areas was not yet available to the subdivider. You should ask the subdivider for updated information before obligating yourself to purchase.

❖ *Use the following if subdivider indicates that naturally occurring asbestos may be found in or near the subdivision:*

- ☐ The subdivider has advised that natural occurrences of asbestos-containing rock may be found in or near this subdivision. Naturally occurring asbestos may pose a health hazard to those exposed to ambient asbestos fibers. Such fibers may be found in serpentine rock used as a surface material for unpaved roads. The California Air Resources Board has advised that asbestos emissions can occur when asbestos-containing rocks are crushed or broken, such as occurs when vehicles pass over unpaved roads or parking lots, or during construction activities.

General information on emissions and health impacts from naturally occurring asbestos can be obtained from the Air Resources Board Web site at www.arb.ca.gov/toxics/asbestos. To obtain specific information on your lot, you may wish to contact the subdivider or consult with an appropriate expert who can identify and test any exposed asbestos-containing rock that may either exist on the property or within its vicinity to determine whether it will present a health risk.

❖ *Use the following if subdivider does not provide evidence that geologic testing results concluded that NO naturally occurring asbestos containing materials may be found in or near the subdivision and the subdivision is included on El Dorado County map:*

- ☐ This subdivision is in an area included on a map titled "Areas More Likely to Contain Natural Occurrences of Asbestos in Western El Dorado County, California," released by the California Department of Conservation, Division of Mines and Geology, dated March 2000. You may obtain more information regarding the map and accompanying report by contacting the Department of Conservation, Division of Mines and Geology, 801 K Street, Room 1400, Sacramento, California, 95814, (916) 445-5716, or their web site at www.consrv.ca.gov.

Naturally occurring asbestos may pose a health hazard to those exposed to ambient asbestos fibers. Such fibers may be found in serpentine rock used as a surface material for unpaved roads. The California Air Resources Board has advised that asbestos emissions can occur when asbestos-containing rocks are crushed or broken, such as occurs when vehicles pass over unpaved roads or parking lots, or during construction activities.

General information on emissions and health impacts from naturally occurring asbestos can be obtained from the Air Resources Board Web site at www.arb.ca.gov/toxics/asbestos. For specific information, you should consult

with an appropriate expert who can identify and test any exposed asbestos-containing rock that may either exist on the property or within its vicinity to determine whether it will present a health risk.

❖ *Use only if within 10 miles from subdivision.*

☐ THE SUBDIVISION IS LOCATED WITHIN _____ MILES OF THE (nuclear power plant)

It is within the basic emergency planning zone, the area surrounding each of California's nuclear power plants, in which both State and Federal governments require planning to protect the public in the unlikely event of a serious accident at the plant. Plans for public information and for a full range of protective actions, including evacuation, have been developed by local emergency services offices.

❖ *Use only if residential structures built prior to 1978 and not housing designated for the elderly.*

☐ Pursuant to federal Real Estate Disclosure and Notification Rule (24 CFR Part 35 and 40 CFR Part 745), the seller is required to disclose to prospective buyers that this property may contain lead-based paint and/or lead-based paint hazards as well as provide certain written materials as mandated by current law. The seller is required to offer all prospective buyers an opportunity to conduct a risk assessment for lead-based paint and lead-based hazards prior to being obligated under a purchase contracts. This risk assessment may be waived by written agreement between buyer and seller. For more information, you should contact the local office of the Environmental Protection Agency.

TAXES

❖ *Always included.*

The maximum amount of any tax on real property that can be collected annually by counties is 1% of the full cash value of the property. With the addition of interest and redemption charges on any indebtedness, approved by voters prior to July 1, 1978, the total property tax rate in most counties is approximately 1.25% of the full cash value. In some counties, the total tax rate could be well above 1.25% of the full cash value. For example, an issue of general obligation bonds previously approved by the voters and sold by a county water district, a sanitation district or other such district could increase the tax rate.

❖ *Fill in only if the total tax rate is above 1.25%.*

☐ The total property tax rate for the subdivision is _____% for tax year _____.

For the purchaser of a lot or unit in this subdivision, the full cash value of the ☐ lot ☐ unit will be the valuation, as reflected on the tax roll, determined by the county assessor as of the date of purchase of the ☐ lot ☐ unit or as of the date of completion of an improvement on the lot if that occurs after the date of purchase.

❖ *Always included.*

Notice of Your 'Supplemental' Property Tax Bill

"California property tax law requires the Assessor to revalue real property at the time the ownership of the property changes. Because of this law, you may receive one or two supplemental tax bills, depending on when your loan closes. The supplemental tax bills are not mailed to your lender. If you have arranged for your property tax payments to be paid through an impound account, the supplemental tax bills will not be paid by your lender. It is your responsibility to pay these supplemental bills directly to the Tax Collector. If you have any questions concerning this matter, please call your local Tax Collector's Office."

ASSESSMENTS

❖ *Use if within a Special District or Special Assessment District.*

☐ This subdivision lies within the boundaries of the _____ District and is subject to any ☐ taxes, ☐ assessments ☐ and obligations thereof.

❖ *Use for Landscape Lighting Districts or County Service Areas.*

☐ This subdivision lies within the boundaries of the _____ (CSA or LLD District Name) No. _____ and is subject to any taxes, assessments and obligations thereof. This district was formed to provide _____ (services).

The District budget for each fiscal year will be based upon the actual costs provided for in the awarded contract for these services. This means assessments can fluctuate from year to year as contracts expire. As of the date of this Public Report, ☐ it is anticipated the projected _____ – _____ (year range) assessment for each residential unit within this development will be \$_____. ☐ the _____ – _____ (year range) assessments is \$_____. The administration of this district will be provided by _____.

❖ *Use for Community Facilities Districts.*

☐ This subdivision lies within the _____ Community Facilities District No. _____ ☐ and _____

and is subject to any taxes, assessments and obligations thereof. The Subdivider must provide purchasers with ☐ a disclosure ☐ disclosures entitled, "Notice of Special Tax" prior to a purchaser entering into a contract to purchase. ☐ This Notice contains ☐ These Notices contain important information about district functions, purchaser's obligations, right of the ☐ district, ☐ districts, and information on how to contact the ☐ district ☐ districts for additional materials. Purchasers should thoroughly understand the information contained in the ☐ Notice ☐ Notices prior to entering into a contract to purchase. ☐ This special tax appears ☐ These special taxes appear on the yearly property tax bill, and ☐ is ☐ are in addition to the tax rate affecting the property described above in the section entitled "TAXES."

The buyer has five days after delivery of ☐ this Notice ☐ these Notices by deposit in the mail, or three days after delivery of any notice in person, to terminate the purchase agreement/contract by giving written notice of that termination to the owner, subdivider, or agent selling the property.

CONDITIONS OF SALE

❖ *Any special conditions should be noted. Use if the Subdivider will offer financing.*

☐ Pursuant to Civil Code Sections 2956 through 2967, inclusive, subdividers and purchasers must make certain written disclosures regarding financing terms and related information. The subdivider will advise purchasers of disclosures needed from them, if any.

❖ *Always included.*

If your purchase involves financing, a form of deed of trust and note will be used. The provisions of these documents may vary depending upon the lender selected. These documents may contain the following provision(s):

Acceleration Clause. This is a clause in a mortgage or deed of trust which provides that if the borrower (trustor) defaults in repaying the loan, the lender may declare the unpaid balance of the loan immediately due and payable.

Due-on-Sale Clause. If the loan instrument for financing your purchase of an interest in this subdivision includes a due-on-sale clause, the clause will be automatically enforceable by the lender when you sell the property. This means that the loan will not be assumable by a purchaser without the approval of the lender. If the lender does not declare the loan to be all due and payable on transfer of the property by you, the lender is nevertheless likely to insist upon modification of the terms of the instrument as a condition to permitting assumption by the buyer. The lender will almost certainly insist upon an increase in the interest rate if the prevailing interest rate at the time of the proposed sale of the property is higher than the interest rate of your promissory note.

A Balloon Payment. This means that your monthly payments are not large enough to pay off the loan, with interest, during the period for which the loan is written and that at the end of the loan period, you must pay the entire remaining balance in one payment. If you are unable to pay the balance and the remaining balance is a sizable one, you should be concerned with the possible difficulty in refinancing the balance. If you cannot refinance or sell your property, or pay off the balloon payment, you will lose your property.

A Prepayment Penalty. This means that if you wish to pay off your loan in whole or in part before it is due, you must, in addition, pay a penalty .

A Late Charge. This means that if you fail to make your installment payment on or before the due date or within a specified number of days after the due date, you, in addition, must pay a penalty.

The subdivider may assist you in arranging financing from a federal or state regulated lender which will make loans that allow the interest rates to change over the life of the loan. An interest rate increase ordinarily causes an increase in the monthly payment that you make to the lender. The lender will provide you with a disclosure form about the financing to assist you in the evaluation of your ability to make increased payments during the term of the loan. This disclosure form will be furnished to you at the time you receive your loan application and before you pay a nonrefundable fee.

Special or Unusual Financing Arrangements:

BEFORE SIGNING, YOU SHOULD READ AND THOROUGHLY UNDERSTAND ALL LOAN DOCUMENTS.

PURCHASE MONEY HANDLING

- ❖ *Always included.* (Note: The Surety Bond (RE 600), Blanket Surety Bond (RE 600A) or other purchase money guarantee may not be used for a conditional public report.)

The subdivider must impound all funds (purchase money) received from you in ☐ an escrow depository until ☐ a trust account until ☐ legal title ☐ _____ is delivered to you, ☐ except for such amount as the subdivider has covered by furnishing a bond to the State of California. [Refer to Business and Professions Code Sections ☐ 11013, ☐ 11013.1, ☐ 11013.2(a), ☐ 11013.2(c), ☐ 11013.4(a), ☐ 11013.4(b), ☐ 11013.2(d), ☐ and 11013.4(f).]

- ☐ The subdivider advises that individual escrows for sales of interests in this subdivision will not close until ☐ 80 ☐ _____ percent of the ☐ lots ☐ units have been sold and are ready to close escrow simultaneously.

If the escrow has not closed on your ☐ lot within ☐ unit within ☐ six (6) months ☐ one (1) year ☐ _____ of the date of ☐ subdivider's acceptance of your offer, ☐ your deposit receipt, ☐ purchase agreement/contract, ☐ escrow opening, ☐ you may request the return of your purchase money deposit.

- ☐ IF THE FINAL SUBDIVISION PUBLIC REPORT HAS NOT BEEN ISSUED WITHIN ☐ SIX (6) ☐ THIRTY (30) MONTHS FROM THE DATE OF THE ISSUANCE OF THIS CONDITIONAL PUBLIC REPORT, YOU MAY REQUEST THE RETURN OF YOUR DEPOSIT. THE TERM OF THE CONDITIONAL PUBLIC REPORT MAY BE EXTENDED FOR AN ADDITIONAL SIX (6) MONTH TERM.

- ❖ *Include this note only when developer is selling lots improved with residential structures.*

- ☐ Note: Section 2995 of the Civil Code provides that no real estate subdivider shall require as a condition precedent to the transfer of real property containing a single family residential dwelling that escrow services effectuating such transfer shall be provided by an escrow entity in which the subdivider has a financial interest of 5% or more.

- ☐ THE SUBDIVIDER HAS A FINANCIAL INTEREST IN THE ESCROW COMPANY WHICH IS TO BE USED IN CONNECTION WITH THE SALE OR LEASE OF ☐ LOTS ☐ UNITS IN THIS SUBDIVISION.

- ☐ THE SUBDIVIDER HAS NO FINANCIAL INTEREST IN THE ESCROW COMPANY WHICH IS TO BE USED IN CONNECTION WITH THE SALE OR LEASE OF ☐ LOTS ☐ UNITS IN THIS SUBDIVISION.

SOILS CONDITIONS

- ☐ Soils and geologic information is available at: _____

- ☐ This is a conversion project; a soils report is not required by local government.

- ☐ A soils report has been waived by local government.

❖ *Mention only if there is fill in excess of two feet. If there are extraordinary features, paraphrase.*

☐ ☐ All lots ☐ Some lots ☐ The common area ☐ _____
☐ contain(s) filled ground ☐ will contain filled ground. ☐ Information concerning filled ground
☐ and ☐ soil conditions is available at ☐ (public agency) _____

❖ *Include for subdivisions located in unincorporated areas of Los Angeles county.*

☐ INFORMATION CONCERNING SLOPES, PLANTING AND DRAINAGE REQUIREMENTS ARE AVAILABLE AT THE OFFICE OF THE COUNTY ENGINEER, BUILDING AND SAFETY DIVISION, 532 SOUTH VERMONT AVENUE, LOS ANGELES, CALIFORNIA 90020.

❖ *Always included.*

GEOLOGIC CONDITIONS: THE UNIFORM BUILDING CODE, APPENDIX CHAPTER 33, PROVIDES FOR LOCAL BUILDING OFFICIALS TO EXERCISE PREVENTIVE MEASURES DURING GRADING TO ELIMINATE OR MINIMIZE DAMAGE FROM GEOLOGIC HAZARDS SUCH AS LANDSLIDES, FAULT MOVEMENTS, EARTHQUAKE SHAKING, RAPID EROSION OR SUBSIDENCE. THIS SUBDIVISION IS LOCATED IN AN AREA WHERE SOME OF THESE HAZARDS MAY EXIST. SOME CALIFORNIA COUNTIES AND CITIES HAVE ADOPTED ORDINANCES THAT MAY OR MAY NOT BE AS EFFECTIVE IN THE CONTROL OF GRADING AND SITE PREPARATION.

PURCHASERS MAY CONTACT THE SUBDIVIDER, THE SUBDIVIDER'S ENGINEER, THE ENGINEERING GEOLOGIST AND THE LOCAL BUILDING OFFICIALS TO DETERMINE IF THE ABOVE-MENTIONED HAZARDS HAVE BEEN CONSIDERED AND IF THERE HAS BEEN ADEQUATE COMPLIANCE WITH APPENDIX CHAPTER 33 OR AN EQUIVALENT OR MORE STRINGENT GRADING ORDINANCE DURING THE CONSTRUCTION OF THIS SUBDIVISION.

FLOOD AND DRAINAGE CONDITIONS

❖ *If there is a problem, paraphrase report.*

☐ _____

WATER

❖ *If furnished by a municipal utility, a public utility, or a city, no mention. If furnished by a mutual water company or by private wells, use the following as applicable.*

☐ The _____

☐ advises that it ☐ will ☐ will not supply water service to each ☐ lot ☐ unit.

☐ This is a mutual water company. A mutual water company is not subject to supervision or regulation as a public utility company. No public agency has any supervision or control over the management, rates, assessments, charges or conduct of business by a mutual water company.

☐ Usually, you must be a stockholder in the mutual water company in order to be entitled to get water. ☐ A share of stock will cost \$_____. ☐ A transfer fee will be \$_____.

A stockholder must share in the costs of operation of the water company. A share of stock may be assessed for any amount the management deems necessary for the continuation of the operation of the water company. Through the share, the stockholder has a voice in the management. If a stockholder's vote is one of the minority on the issues of management, individual dissatisfaction may not be easily resolved. The share of stock is appurtenant to the individual ☐ lot ☐ unit or ☐ parcel and may not be disposed of separately.

☐ You will be required to pay costs for ☐ extension ☐ hook up of water services. _____

☐ Maintenance of water lines and related facilities within the project is the responsibility of the _____ Association and such charges are included in the budget.

☐ There is no regular water service to this subdivision.

☐ Private water wells are the only source of water and you will be required to pay all costs to have a well installed on your lot.

☐ The subdivider's well driller has submitted the following information: _____

-
- ☐ Samples from wells in the area show water is bacteriologically pure, and has ☐ high ☐ low mineral content.
- ☐ A test well located at _____ now produces potable water.
- ☐ Water of similar quality should be available throughout the subdivision from individual wells; however, there is no guarantee that such wells will be available on each parcel.

❖ *Include if wells are to be used.*

- ☐ The State Water Code requires a Notice of Intention to drill a well and a Report of Completion to be filed with the Department of Water Resources.
- ☐ Other water company or facility _____
- _____
- _____

FIRE PROTECTION

❖ *No mention, if no special charges or conditions. If rural or remote, give name and set forth any charges or special conditions.*

- ☐ The _____
- Fire Department advises as follows: _____
- _____
- _____
- _____

GAS AND ELECTRICITY

❖ *No mention, if no special charges or conditions. If rural or remote, give name and set forth any charges or special conditions.*

- ☐ The _____ (company name)
- advises as follows: _____
- _____
- _____
- ☐ Lot purchasers will be responsible for the above-mentioned costs.

GAS

- ❖ *No mention, if no special charges or conditions. If rural or remote, give name and set forth any charges or special conditions.*

☐ The _____ (company name)

advises as follows: _____

☐ Lot purchasers will be responsible for the above-mentioned costs.

ELECTRICITY

- ❖ *No mention, if no special charges or conditions. If rural or remote, give name and set forth any charges or special conditions.*

☐ The _____ (company name)

advises as follows: _____

☐ Lot purchasers will be responsible for the above-mentioned costs.

TELEPHONE

- ❖ *No mention, if no special charges or conditions. If rural or remote, give name and set forth any charges or special conditions.*

☐ The _____ (company name)

advises as follows: _____

☐ Lot purchasers will be responsible for the above-mentioned costs.

SEWAGE DISPOSAL

- ❖ *If public sewer, mention only if there are unusual conditions or charges.*

☐ You will be required to pay costs for ☐ extension ☐ hook-up to sewer service. _____

☐ Septic systems will be used for sewage disposal. You must pay for your septic system. ☐ The _____
_____ estimates the costs to be \$_____.

- ❖ *Use if there are to be septic systems, which purchasers must pay to be installed, and if the local health authority has provided a statement that they will be permitted on all lots.*

☐ The _____ (health department) has stated that a permit will be issued for a septic system on all lots/parcels in this subdivision. This information is applicable as of the date of issuance of this public report. If there is a change in the requirements for a sewage disposal system permit, the subdivider must amend the public report to disclose the new conditions. Please note that if you do not intend to install a sewage system at this time, there is no guarantee that the lot/parcel will later qualify for use of a septic system. Prior to purchasing a lot/parcel and commencing construction, you should contact the local health department concerning specifications, requirements and any local problems.

- ❖ *Use if local health authority does not state that a septic or other individual sewage system will be permitted on each and every lot/parcel.*

☐ The purchase agreement/contract and escrow instructions used in the offering of these lots/parcels will provide that prior to close of any sale of a lot/parcel in this subdivision, the purchaser must receive a written opinion, satisfactory to the purchaser, from the local health authority, a registered civil engineer or geologist that the lot/parcel is suitable for the installation of a septic system and a permit would be issued, at the date of the opinion, if an application for a permit were made in compliance with local permit requirements on that date.

This information will be applicable at the time of purchase. If you do not intend to install a sewage disposal system at that time, there is no guarantee that the lot/parcel will later qualify for use of a septic system. Prior to purchasing a lot/parcel and commencing construction, you should contact the local health department for specifications, requirements and any local problems.

BUILDING PERMIT

- ❖ *Use if a vacant lot offering.*

☐ If you purchase a vacant lot within this subdivision, you will be required to obtain a building permit and pay all applicable fees prior to construction. These fees may include, but may not be limited to the following: schools, sewer, water, drainage, traffic mitigation, park, infrastructure, etc. Vacant lot purchasers should contact the local building and planning departments for the current list of fees and other requirement prior to purchasing a lot. Purchasers of vacant lots should realize, however, that these fees and requirements could change.

- ❖ *State any special building requirements due to existing hazards, unusual uses or natural hazard areas.*

☐ _____

STREETS AND ROADS

- ❖ *If not accepted for maintenance, use standard note.*

- ❖ *If private, in rural area, etc., detail conditions, e.g., dirt graded, dirt ungraded, graveled, or road easements only; dirt roads and/or private ungraded roads are subject to rapid deterioration from adverse weather conditions; roads may be impassable during or following heavy rain or snow, etc., the cost to meet county standards, the cost to maintain, etc.*

☐ As of the date of this public report, streets have not been completed. The subdivider ☐ has posted a bond ☐ will post a bond ☐ has made financial arrangements ☐ will make financial arrangements ☐ with the city ☐ with the county to ensure completion to ☐ city standards ☐ county standards ☐ within _____ years ☐ within _____ months.

☐ The ☐ streets ☐ roads within this subdivision have been dedicated to and accepted by the ☐ city ☐ county ☐ for public use but not for maintenance. ☐ An engineer estimates it will cost lot owners

\$_____ per linear foot to bring roads to applicable county standards for public maintenance ☐ and that the annual cost for maintaining roads as existing at the time of sale will be \$_____ per linear foot.

☐ The private streets within this project will be maintained by the homeowner association. The costs of repair and maintenance of these private streets are included in the budget and are a part of your regular assessment. ☐ With the exception of width, these streets are not constructed to the same standards as public roads which are maintained by the ☐ city ☐ county. As a result, you may be faced with more rapid deterioration and repair costs may be a major budget factor due to the higher frequency of repairs.

☐ The repair and maintenance of these private roads will be in accordance with a road maintenance agreement. This agreement was recorded on _____ ☐ in Book _____, Page _____, ☐ as a part of the covenants, conditions and restrictions, recorded on _____, Book _____, Page _____.

☐ THE SUBDIVIDER SHOULD PROVIDE YOU WITH A COPY OF THIS AGREEMENT.

☐ No provision for the repair and maintenance of the roadways has been made by the developer. All repair and maintenance of these roads will be your responsibility and expense, individually and collectively, proportionately to the use of the road easement by you. If you and your neighbor cannot agree on pro rata shares or upon the need or extent of repair and maintenance, it may be necessary for you to appeal to the proper Superior Court for the appointment of an impartial arbitrator or for the determination of the court as to the pro rata shares. (Reference: Civil Code Section 845.)

☐ The private streets in this project do not meet ☐ city ☐ county standards as to width and may not provide adequate access for emergency vehicles such as fire engines.

☐ Purchasers should be aware and should fully investigate the possibility that the development of the roads in this subdivision may alter the terrain so as to affect access to the building site and the view for particular lots in the subdivision.

☐ _____

SCHOOLS

❖ *Include name, address, and phone number of school district(s) and/or information as disclosed by the district(s).*

- ☐ This project lies within the _____ School District.
This District advises the schools initially available to this subdivision are:

This school information was provided prior to the date of issuance of this public report and is subject to change. For the most current information regarding school assignments, facilities and bus service, purchasers are encouraged to contact the school district(s).

CLOSING STATEMENT

If you need clarification as to the statements in this Public Report or if you desire to make arrangements to review the documents submitted by the subdivider which the Department of Real Estate used in preparing this Public Report you may contact:

☐ Department of Real Estate
Subdivisions South
320 W. 4th Street, Suite 350
Los Angeles, CA 90013-1105
(213) 576-6983

☐ Department of Real Estate
Subdivisions North
2201 Broadway
Sacramento, CA 95818
(916) 227-0813

